

Forest Services Board

27 June 2019

Minutes of the second meeting of the Forest Services Board

Eversheds Sutherland, 115 Colmore Row, Birmingham B3 3AL

Attendees

Sir Harry Studholme (Chair)
Ian Gambles
Richard Greenhous
Fiona Harrison
Liz Philip
George McRobbie
Steve Meeks

Jenny King – minutes

1. Welcome and apologies

The Chair welcomed attendees to the meeting. Shirley Trundle had sent apologies, Fiona Harrison was attending the meeting in Shirley's place.

2. Declaration of Interest

The Chair asked if there were any agenda items for which any board member would like to log a commercial conflict or any changes to the declarations of interest published on the Forestry Commission website at <https://www.gov.uk/government/publications/register-of-interests-forestry-commissioners>.

No conflicts of interests were raised.

3. Minutes of the meeting of 24 April 2019

Subject to amendment of the minutes to record the declaration of interests discussion at the meeting of the 24 April 2019, where no additional conflicts of interest were raised, the minutes of the previous meeting were agreed as a true record.

The board agreed to adding 'matters arising' as a standing agenda item for future meetings.

4. Non-Executive Recruitment

The board recommended wording updates for the vacancy description for the recruitment of a non-executive board member. The board agreed recruitment should be delayed until after the summer holiday period. This would allow possible synergies between the separate recruitment campaigns for Forest Services and Forest Research non-executive board members to be taken advantage of. The recruitment campaigns would be run separately but could be advertised as one.

5. Geographical links

The board agreed to the proposed links between non-executives and Forest Services' areas in the paper. The board agreed the importance of communicating the purpose and desired outcomes of linking FS areas with non-executives to area teams and new non-executives. Appropriate hand over between non-executives would ensure the links between the FS board and area teams were maintained beyond any individual's tenure in a role.

6. Induction plan proposal

The intention of the proposed induction plan was to initiate FS non-executives to the range of issues dealt with by Forest Services as well as offering visits to a range of geographical areas.

The board endorsed the induction plan and agreed the timescale of the plan should be stretched to the end of the financial year, which could also allow the new non-executive to attend visits later in the financial year.

7. Finance report

Business planning

Steve Meeks summarised the FS business plan for 2019-20 and confirmed that in future years the FS board would approve the plan. The board discussed how the 95% cap on FS resource commitments operated. The board discussed potential risks of overspend or under delivery which could be associated with a spending cap. Defra will review the cap mid-way through the year and it was possible that the FC would be asked to deliver savings if the cap were to be lifted. The board expressed support for the business plan.

The board discussed financial preparations for exiting the EU.

2019-20 financial position

Steve provided assurance of the FS in-year financial position as at end May 2019 and summarised pending changes to the approved budget and the movement of funds, including the transfer of £802k from the Woodland Carbon Fund to the Northern Forest.

Spending Review (SR) 2019

Steve provided an overview of SR19 and the FC's approach including close engagement with Defra Forestry Policy and Plant Health teams on bid submissions through the Outcome System Groups. The spending review was expected to be formally commissioned in July.

The board expressed concern that requests to cut spending as a result of SR19 would pose risks to the Forestry Commission, making delivery of government aspirations more difficult. The board also discussed SR19's impact on FC's ability to deliver 11 million trees this Parliament.

Although Treasury were open to a capital bid from Defra on woodland creation it was considered important to communicate to Treasury that there was a limit to the amount of tree planting landowners could be persuaded to plant. Any FC bid therefore needed to communicate that focusing only on grants was not the best approach and therefore the full scope of woodland creation options needed to be considered, including expanding the Nation's Forests.

Potential bottlenecks in plant supply, labour, skills and expertise could affect planting. FC needed to convince Treasury that work was needed to address these wider issues now in order to ensure that such barriers to delivery did not develop. Ian Gambles suggested a future board paper on (non-financial) bottlenecks to woodland creation.

Action 1: Richard Greenhous to commission a board paper on non-financial bottlenecks to woodland creation for 3 October board meeting.

The board recognised and discussed the risk assessment set out in the report.

8. FS Dashboard

The board welcomed Steph Rhodes to the meeting and thanked Steph for the work that had gone into producing the dashboard. The current draft of the dashboard was drawn from FS' review of management information and updating its key performance indicators.

The board had a wide ranging discussion of the dashboard recommending:

- Fewer reporting areas should be included on the dashboard to give a higher level presentation of FS' position, ideally to fit onto one page.
- A simple red/amber/green or similar type of rating should draw the board's attention to where it is most needed.
- Indication of whether activities are on track to meet government aspirations or targets should be included.
- Reporting areas which are updated annually or would not have updated data between board meetings should be presented on a separate annual dashboard.
- Reporting areas that were included on the dashboard should be leading and highlight potential upcoming issues or concerns in the delivery pipeline.
- Some basic narrative as to what the indicators measure should be included.
- Area of woodland in management, rather than the number of plans submitted, should remain on the dashboard.
- Numbers of live pest/disease outbreaks, and FS' management of them, should be included on the dashboard.
- More reliable data should be used for the 'people engaged in woodland' indicator, if this is to be used in future dashboards.
- Felling Licence Online and area of felling licence applications, grant scheme application to agreement times should be considered as part of wider trend of transactional activities;
- Net balance of woodland creation and woodland removals should detail ancient woodland loss.
- Relevant seasonal information should be included on the dashboard in addition to standard indicators – e.g. any live pest or disease outbreaks and impact

The board requested a future agenda items on Planted Ancient Woodland Sites, woodland loss and woodland management.

Action 2: Richard Greenhous to commission agenda items on woodland loss and woodland management for future FS board meetings.

The board agreed to review an interim version of the dashboard by correspondence over the summer, and will receive an updated dashboard at the next meeting.

Action 3: Steph Rhodes to bring an updated dashboard to 3 October board meeting.

Steph Rhodes left the meeting.

9. Future farming and countryside policy

The board welcomed Joe Watts to the meeting. The board endorsed the proposed FC positions for ongoing engagement with the programme (paper 5. 1 points 18-30), noting

that further work was required to clearly define FC objectives from ELM. The board had a wide ranging discussion of the Environmental Land Management (ELM) scheme, comprising:

- The higher upfront cost of woodland creation in comparison to other land uses had not been appropriately considered by the environmental land management (ELM) scheme programme. There would be further discussion within the ELM programme on how this could be achieved most effectively.
- Aspects of an integrated land management scheme were essential, but a fully integrated approach may not be the best way forward. The FC should state which aspects of integration should be built in to the scheme. The FC would continue to support the development of an integrated scheme unless key forestry interests were being compromised. One option was to develop an alternative woodland creation fund which could be integrated with ELM at a later date. The board agreed that fundamental to the development ELM was that any incentive scheme needs to be deliverable.
- Developing an integrated approach posed a risk that forestry expertise would be lost. The FC would propose continued primacy of the UKFS.
- Uncertainty as a result of delays to ELM would be damaging for woodland creation. An alternative was needed to protect woodland creation from any hiatus as a result of the transition from CAP to ELM, and exit from the EU.
- Further definition of the relationship between ELM and regulation was required.

Joe agreed to update the board on ELM at a future meeting and feed the board's comments into FC's work on the programme.

10. Dame Glenys Stacey's Review of Farming Regulation & Enforcement

Joe Watts reported that consultation on the review would likely be before summer recess. There was still uncertainty over the scope of what regulations and land uses would be included in the consultation, and therefore how impactful the consultation would be for the FC.

The board discussed Forest Services' engagement with future farming regulation and whether to prioritise breaking down barriers between farming and forestry or providing a focussed one-stop-shop for forestry. The board discussed the structural impact that moving to a single farming regulator would have and how effective it might be in meeting the demands of increased woodland creation aspirations. At present, the private sector was not in the position to provide these regulatory functions. The board agreed the need to maintain a critical mass of forestry expertise in government, which ever approach was taken.

The board agreed the importance of the review for forestry as well as for farming and the need to ensure that the forestry sector was aware of and responded to the consultation.

Steve Meeks and Joe Watts left the meeting.

11. Tree Health & Woodland Resilience

The board welcomed Steph Rhodes and Anna Brown to the meeting.

Woodland resilience

The board approved the action plan at Annex 2 of Annex 2 of paper 5.3. Steph reported that the draft mission statement at annex 1 of annex 2 was being improved by Forest Services with input from Defra Comms.

The board discussed forest resilience. FS needed to develop policy and guidance, advice and expertise, and communications for the sector to lead on forest resilience. Training was also needed for staff to ensure that Woodland Officers were equipped to advise the sector well.

The board endorsed the role and focus of Forest Services in the paper in delivering the actions plan. It was noted that further conversations on forest resilience were needed with not only the commercial forestry sector but also other, for example the Woodland Trust.

Tree health resilience strategy

The tree health resilience strategy was published in 2018 and was working well. The board noted the progress of the strategy and next steps including development of Spending Review 2019 bids to support delivery of the Strategy. The board noted the International Year of Plant Health 2020 and FC engagement with the campaign and ways to initiate behavioural change in response to biodiversity issues.

12. Future Meeting

The board agreed to add recurring agenda items for future meetings:

- Matters arising from previous minutes
- Declaration of interest

The Chair closed the meeting.